

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3005

ANSWERED ON:20.12.2004

EFFECT OF REDUCTION IN IMPORT DUTY ON AGRICULTURE SECTOR

Ponnuswamy Shri Mohan

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the reduction in import duty from 30 percent to 20 percent on starch and sago product and the total abolition of 4 percent additional duty are helpful for agriculture sector in our country;

(b) if so, the details thereof;

(c) the quantum of import of these items and the names of the countries from where imported during the last two years and till date; and

(d) the details of area under tapioca cultivation and the total production recorded in the country during the last three years, State-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a)&(b): The peak rate of customs duty on these products was reduced to 30% and 20% in 2002 and 2004 respectively. This was part of the exercise in general reduction of peak rate of customs duties by the D/o. Revenue. The issue of import duty on maize (com) starch, manioc (cassava) starch, sago, tapioca and its substitutes prepared from starches and modified starches was examined by the D/o. Revenue as part of this year's budget exercise. The effective rate of customs duty on these products (except modified starches) is 30%. Modified starch has an effective rate of 20% customs duty. However, the tariff rate of customs duty on these products was raised from 30%/20% to 50%. This was done to provide a cushion to raise the import duty on these products appropriately in case there are instances of increased imports hurting the interests of domestic producers and industry. The Directorate General of Safeguard (Ministry of Finance) has already initiated a suo moto investigation under the safeguard duty Rules to determine if whether there are increased imports of these products. The abolition of special additional duty of customs of 4% was a policy decision and is applicable to all items under customs tariff.

(c): The details of the import of starches during 2002-03, 2003-04 and 2004-05 (April 2004 to July 2004) is at Annexure-I.

(d): The details of area and production of tapioca cultivation during 2000-01, 2001-02 and 2002-03 is at Annexure-II.

ANNEXURE-I

IMPORT OF STARCHES (Quantity in MT)

STARCH OF WHEAT

Country	2002-03	2003-04	2004-05 (April 2004-July 2005)
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BELGIUM	-	15.00	-
CHINA P RP	-	2.25	-
FRANCE	2.00	13.50	4.00
GERMAN F REP	1.49	0.50	0.70
KOREA RP	10.00	-	-
NETHERLAND	0.25	0.05	0.30
POLAND	-	0.61	-
SLOVENIA	0.10	-	-
SOUTH AFRICA	1.60	-	-
THAILAND	12.00	-	-
USA	-	-	20.41

TOTAL	27.44	31.91	25.41
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STARCH OF MAIZE (CORN)

Country	2002-03	2003-04	2004-05 (April 2004-July 2005)
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BELGIUM	-	5.00	-
FRANCE	25.88	79.34	50.00
GERMAN F REP	20.10	10.00	-
ITALY	18.85	-	-
NETHERLAND	5.00	-	7.40
THAILAND	16.00	16.23	885.24
UK	0.15	6.96	0.05
USA	22.70	47.07	4.74

TOTAL	108.68	164.59	947.43
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STARCH OF POTATO

Country	2002-03	2003-04	2004-05 (April 2004-July 2005)
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DENMARK	42.00	213.02	63.00
FINLAND	3.00	-	-
FRANCE	13.00	37.03	24.25
GERMAN F REP	132.50	219.00	7.93
MALAYSIA	-	21.59	-
NETHERLAND	85.03	344.74	79.52
THAILAND	-	228.00	-
TURKEY	-	0.25	-
UK	0.03	-	-
UAE	-	-	0.50

TOTAL	275.56	1063.63	175.20
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STARCH OF MANIOC (CASSAVA)

Country	2002-03	2003-04	2004-05 (April 2004-July 2005)
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PHILIPPINES	-	504.00	-
THAILAND	-	1011.40	-
VIETNAM SOC REP	-	285.00	195.00

TOTAL	1800.40	195.00	
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OTHER STARCHES

Country	2002-03	2003-04	2004-05 (April 2004-July 2005)
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AUSTRALIA	2.11	1.17	-
AUSTRIA	0.00	-	-
BELGIUM	21.97	29.80	9.90
FRANCE	11.20	-	-
GERMAN F REP	577.04	170.00	0.35
ITALY	16.44	-	-
JAPAN	16.00	14.45	4.30
KOREA RP	1.42	1.02	-
NETHERLAND	56.50	-	0.10
SINGAPORE	-	0.27	-

SWEDEN	0.12	-	-
SWITZERLAND	21.58	-	-
THAILAND	346.22	4795.40	2020.00
USA	175	0.23	0.29
VIETNAM SOC REP	-	945.50	-

TOTAL	1072.35	5957.85	2034.94
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ANNEXURE-II

State wise Area and Production of Tapico

State/UT	Area (`000 Hectares)	Production (`000 Tonnes)
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	2000-01	2001-02	2002-03	2000-01	2001-02	2002-03
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Andhra Pradesh	21.5	17.7	13.1	166.1	146.4	79.5
Assam	3.0	3.0	2.8	14.0	14.0	13.5
Karnataka	1.0	0.9	0.9	8.0	7.2	6.9
Kerala	114.6	111.2	110.3	2586.9	2455.9	2504.4
Manipur Neg.	0.0	0.0	Neg.	0.0	0.2	
Meghalaya	4.1	4.0	4.0	21.9	20.6	20.6
Mizoram	0.4	0.1	0.2	2.0	1.2	1.3
Nagaland	1.3	1.3	1.3	16.0	16.1	16.1
Rajasthan	0.1	0.2	0.0	0.2	0.5	0.0
Sikkim	0.5	0.5	0.5	1.2	1.2	1.2
Tamil Nadu	104.8	108.0	73.0	4295.5	4153.0	2772.5
A&N Island	0.2	0.2	0.5	2.3	2.4	0.5
Pondicherry	0.3	0.5	0.4	9.7	15.5	9.5
All India	251.8	247.6	207.0	7123.8	6834.0	5426.2